

AN ACT

relating to the creation of the Near Northside Management District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3905 to read as follows:

CHAPTER 3905. NEAR NORTHSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3905.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Houston, Texas.

(3) "County" means Harris County, Texas.

(4) "Director" means a board member.

(5) "District" means the Near Northside Management District.

Sec. 3905.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3905.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish

1 the public purposes set out in Section 52-a, Article III, Texas
2 Constitution.

3 (b) The creation of the district is necessary to promote,
4 develop, encourage, and maintain employment, commerce,
5 transportation, housing, tourism, recreation, the arts,
6 entertainment, economic development, safety, and the public
7 welfare in the district.

8 (c) This chapter and the creation of the district may not be
9 interpreted to relieve the city or county from providing the level
10 of services provided as of the effective date of the Act enacting
11 this chapter to the area in the district. The district is created
12 to supplement and not to supplant city and county services provided
13 in the district.

14 Sec. 3905.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
15 The district is created to serve a public use and benefit.

16 (b) All land and other property included in the district
17 will benefit from the improvements and services to be provided by
18 the district under powers conferred by Sections 52 and 52-a,
19 Article III, and Section 59, Article XVI, Texas Constitution, and
20 other powers granted under this chapter.

21 (c) The creation of the district is in the public interest
22 and is essential to further the public purposes of:

23 (1) developing and diversifying the economy of the
24 state;

25 (2) eliminating unemployment and underemployment; and

26 (3) developing or expanding transportation and
27 commerce.

1 (d) The district will:

2 (1) promote the health, safety, and general welfare of
3 residents, employers, employees, visitors, and consumers in the
4 district, and of the public;

5 (2) provide needed funding for the district to
6 preserve, maintain, and enhance the economic health and vitality of
7 the district territory as a community and business center; and

8 (3) promote the health, safety, welfare, and enjoyment
9 of the public by providing pedestrian ways and by landscaping and
10 developing certain areas in the district, which are necessary for
11 the restoration, preservation, and enhancement of scenic beauty.

12 (e) Pedestrian ways along or across a street, whether at
13 grade or above or below the surface, and street lighting, street
14 landscaping, and street art objects are parts of and necessary
15 components of a street and are considered to be a street or road
16 improvement.

17 (f) The district will not act as the agent or
18 instrumentality of any private interest even though the district
19 will benefit many private interests as well as the public.

20 Sec. 3905.005. DISTRICT TERRITORY. (a) The district is
21 composed of the territory described by Section 2 of the Act enacting
22 this chapter, as that territory may have been modified under
23 Section 3905.107 or other law.

24 (b) The boundaries and field notes of the district contained
25 in Section 2 of the Act enacting this chapter form a closure. A
26 mistake in the field notes of the district contained in Section 2 of
27 the Act enacting this chapter or in copying the field notes in the

legislative process does not in any way affect the district's:

(1) organization, existence, or validity; or

(2) legality or operation.

Sec. 3905.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

(a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or

(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(a), Tax Code.

Sec. 3905.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3905.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

[Sections 3905.009-3905.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3905.051. GOVERNING BODY; TERMS. The district is governed by a board of nine directors who serve staggered terms of three years, with three directors' terms expiring June 1 of each year.

1 Sec. 3905.052. APPOINTMENT OF DIRECTORS. (a) The mayor and
2 members of the governing body of the city shall appoint directors
3 from persons recommended by the board. A person is appointed if a
4 majority of the members and the mayor vote to appoint that person.

5 (b) A person may not be appointed to the board if the
6 appointment of that person would result in fewer than two-thirds of
7 the directors being residents of the city.

8 Sec. 3905.053. EX OFFICIO DIRECTORS. (a) The following
9 persons serve as nonvoting ex officio directors:

10 (1) the directors of the parks and recreation,
11 planning and development, public works, and civic center
12 departments of the city;

13 (2) the chief of police of the city;

14 (3) the county's general manager of the Metropolitan
15 Transit Authority of Harris County, Texas; and

16 (4) the president of each institution of higher
17 learning located in the district.

18 (b) If a department described by Subsection (a) is
19 consolidated, renamed, or changed, the board may appoint a director
20 of the consolidated, renamed, or changed department as a nonvoting
21 ex officio director. If a department described by Subsection (a) is
22 abolished, the board may appoint a representative of another
23 department of the city that performs duties comparable to those
24 performed by the abolished department.

25 (c) The board may appoint the presiding officer of a
26 nonprofit corporation that is actively involved in activities in
27 the district to serve as a nonvoting ex officio director.

1 Sec. 3905.054. CONFLICTS OF INTEREST. (a) Except as
2 provided by this section:

3 (1) a director may participate in all board votes and
4 decisions; and

5 (2) Chapter 171, Local Government Code, governs
6 conflicts of interest of board members.

7 (b) Section 171.004, Local Government Code, does not apply
8 to the district. A director who has a substantial interest in a
9 business or charitable entity that will receive a pecuniary benefit
10 from a board action shall file an affidavit with the board secretary
11 declaring the interest. Another affidavit is not required if the
12 director's interest changes.

13 (c) After the affidavit is filed, the director may
14 participate in a discussion or vote on that action if:

15 (1) a majority of the directors have a similar
16 interest in the same entity; or

17 (2) all other similar business or charitable entities
18 in the district will receive a similar pecuniary benefit.

19 (d) A director who is also an officer or employee of a public
20 entity may not participate in a discussion of or vote on a matter
21 regarding a contract with that same public entity.

22 (e) For purposes of this section, a director has a
23 substantial interest in a charitable entity in the same manner that
24 a person would have a substantial interest in a business entity
25 under Section 171.002, Local Government Code.

26 Sec. 3905.055. COMPENSATION. The district shall compensate
27 a director as provided by Section 49.060, Water Code.

Sec. 3905.056. INITIAL DIRECTORS. (a) The initial board consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Ethel Kaye Lee</u>
<u>2</u>	<u>Rose Russell</u>
<u>3</u>	<u>Michael Ashley</u>
<u>4</u>	<u>Dr. Albert Lemon</u>
<u>5</u>	<u>Earl White</u>
<u>6</u>	<u>Ann Tillis</u>
<u>7</u>	<u>John Fields</u>
<u>8</u>	<u>Harvey Clemons</u>
<u>9</u>	<u>Renee Llorens</u>

(b) Of the initial directors, the terms of directors serving in positions 1, 2, and 3 expire June 1, 2013, the terms of directors serving in positions 4, 5, and 6 expire June 1, 2014, and the terms of directors serving in positions 7, 8, and 9 expire June 1, 2015.

(c) Section 3905.052 does not apply to the initial directors.

(d) This section expires September 1, 2015.

[Sections 3905.057-3905.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3905.101. HOUSING FINANCE CORPORATION POWERS. (a) The district has the powers of a housing finance corporation created under Chapter 394, Local Government Code.

(b) The district may exercise the powers to provide housing or residential development projects in the district.

Sec. 3905.102. DEVELOPMENT CORPORATION POWERS. The

1 district, using money available to the district, may exercise the
2 powers given to a development corporation under Chapter 505, Local
3 Government Code, including the power to own, operate, acquire,
4 construct, lease, improve, or maintain a project under that
5 chapter.

6 Sec. 3905.103. NONPROFIT CORPORATION. (a) The board by
7 resolution may authorize the creation of a nonprofit corporation to
8 assist and act for the district in implementing a project or
9 providing a service authorized by this chapter.

10 (b) The nonprofit corporation:

11 (1) has each power of and is considered to be a local
12 government corporation created under Subchapter D, Chapter 431,
13 Transportation Code; and

14 (2) may implement any project and provide any service
15 authorized by this chapter.

16 (c) The board shall appoint the board of directors of the
17 nonprofit corporation. The board of directors of the nonprofit
18 corporation shall serve in the same manner as the board of directors
19 of a local government corporation created under Subchapter D,
20 Chapter 431, Transportation Code, except that a board member is not
21 required to reside in the district.

22 Sec. 3905.104. AGREEMENTS; GRANTS. (a) As provided by
23 Chapter 375, Local Government Code, the district may make an
24 agreement with or accept a gift, grant, or loan from any person.

25 (b) The implementation of a project is a governmental
26 function or service for the purposes of Chapter 791, Government
27 Code.

1 Sec. 3905.105. LAW ENFORCEMENT SERVICES. To protect the
2 public interest, the district may contract with the county or the
3 city to provide law enforcement services in the district for a fee.

4 Sec. 3905.106. COMPETITIVE BIDDING. Section 375.221, Local
5 Government Code, does not apply to a district contract for \$25,000
6 or less.

7 Sec. 3905.107. ANNEXATION. In addition to the authority to
8 annex territory under Subchapter C, Chapter 375, Local Government
9 Code, the district has the authority to annex territory located in a
10 reinvestment zone created by the city under Chapter 311, Tax Code,
11 if the city's governing body consents to the annexation.

12 Sec. 3905.108. ECONOMIC DEVELOPMENT PROGRAM. (a) The
13 district may establish and provide for the administration of one or
14 more programs to promote economic development and to stimulate
15 business and commercial activity in the district, including
16 programs to secure loans and receive grants of public money.

17 (b) The district may:

18 (1) contract with the federal government, the state, a
19 political subdivision of the state, a nonprofit organization, or
20 any other person for the administration of the program; and

21 (2) accept contributions, gifts, or other resources to
22 develop and administer the program.

23 Sec. 3905.109. STRATEGIC PARTNERSHIP AGREEMENT. The
24 district may negotiate and enter into a written strategic
25 partnership agreement with the city, county, or Houston Independent
26 School District.

27 Sec. 3905.110. REAL PROPERTY. (a) The district may buy,

1 sell, own, or lease real property.

2 (b) The district may receive real property as a gift from
3 any person.

4 Sec. 3905.111. RECEIPT OF SURPLUS PROPERTY. The district
5 may receive surplus property from a school district that is located
6 in the district.

7 Sec. 3905.112. PROJECT FOR EDUCATIONAL OPPORTUNITY. The
8 district may own, lease, operate or manage a project to improve
9 educational opportunities in the district.

10 Sec. 3905.113. NO EMINENT DOMAIN POWER. The district may
11 not exercise the power of eminent domain.

12 [Sections 3905.114-3905.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

14 Sec. 3905.151. PETITION REQUIRED FOR FINANCING SERVICES AND
15 IMPROVEMENTS. (a) The board may not finance a service or an
16 improvement project under this chapter unless a written petition
17 requesting that service or improvement is filed with the board.

18 (b) The petition must be signed by:

19 (1) the owners of a majority of the assessed value of
20 real property in the district according to the most recent
21 certified tax appraisal roll for the county; or

22 (2) at least 25 owners of land in the district, if more
23 than 25 persons own property in the district according to the most
24 recent certified tax appraisal roll for the county.

25 Sec. 3905.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The
26 board by resolution shall establish the number of directors'
27 signatures and the procedure required for a disbursement or

1 transfer of the district's money.

2 Sec. 3905.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
3 ASSESSMENTS. The district may not impose an impact fee or
4 assessment on the property of a person that provides to the public
5 gas, electricity, telephone, sewage, or water service.

6 Sec. 3905.154. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
7 OBLIGATIONS. Except as provided by Section 375.263, Local
8 Government Code, a municipality is not required to pay a bond, note,
9 or other obligation of the district.

10 [Sections 3905.155-3905.200 reserved for expansion]

11 SUBCHAPTER E. DISSOLUTION

12 Sec. 3905.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH
13 OUTSTANDING DEBT. (a) The board may vote to dissolve a district
14 that has debt. If the vote is in favor of dissolution, the district
15 shall remain in existence solely for the limited purpose of
16 discharging its debts. The dissolution is effective when all debts
17 have been discharged.

18 (b) Section 375.264, Local Government Code, does not apply
19 to the district.

20 SECTION 2. BOUNDARIES. The Near Northside Management
21 District initially includes all the territory contained in the
22 following area:

23 In Harris County, Texas, the territory enclosed by Loop 610 as the
24 north boundary, Lockwood Dr. as the east boundary, Interstate 10 as
25 the south boundary, and Jensen Dr. as the west boundary.

26 SECTION 3. (a) The legal notice of the intention to
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a
2 copy of this Act have been furnished to all persons, agencies,
3 officials, or entities to which they are required to be furnished
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5 Government Code.

6 (b) The governor, one of the required recipients, has
7 submitted the notice and Act to the Texas Commission on
8 Environmental Quality.

9 (c) The Texas Commission on Environmental Quality has filed
10 its recommendations relating to this Act with the governor,
11 lieutenant governor, and speaker of the house of representatives
12 within the required time.

13 (d) The general law relating to consent by political
14 subdivisions to the creation of districts with conservation,
15 reclamation, and road powers and the inclusion of land in those
16 districts has been complied with.

17 (e) All requirements of the constitution and laws of this
18 state and the rules and procedures of the legislature with respect
19 to the notice, introduction, and passage of this Act have been
20 fulfilled and accomplished.

21 SECTION 4. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2011.

H.B. No. 3857

David Beuhurst

President of the Senate

Joe Straus

Speaker of the House

I certify that H.B. No. 3857 was passed by the House on May 3, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Robert Haney

Chief Clerk of the House

I certify that H.B. No. 3857 was passed by the Senate on May 20, 2011, by the following vote: Yeas 31, Nays 0.

Daisy Gaud

Secretary of the Senate

APPROVED:

17 JUN '11

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:00 PM O'CLOCK

JUN 17 2011

Boyd Rutherford

Secretary of State